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Performance Assurance for UESC Projects

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UESC Performance Assurance

- ▶ When PG&E started its UESC Program 4 years ago, there were no clearly defined, or standard UESC Performance Assurance guidelines (FEMP has some guidelines in 2002)
- ▶ Many of PG&E's UESC customers have asked for some level of Performance Assurance as part of their project.
- ▶ PG&E offered Performance Assurance as part of some of its UESC Program.

Performance Assurance Design

- ▶ Any UESC performance assurance needs to be meaningful, yet not overburden the project with excessive costs or risks.
- ▶ The costs of a simple Performance assurance measures that is responsive to the customers' needs can be included and financed in the implementation proposal.

Performance Assurance Design

- ▶ PG&E, in conjunction with its implementation contractors, has developed simplified and customized performance assurance guidelines and strategies.
- ▶ PG&E's performance assurance does not guarantee energy savings, however its components collectively provide assurances that equipment installed will operate as designed.
- ▶ PG&E's simplified performance assurance plan results in most of the benefits of a performance guarantee program that have detailed and long-term M&V plan. PG&E's plan results in significantly lower overall cost for a typical one to three years.

PG&E's Performance Assurance

- ▶ The components of PG&E's Performance Assurance includes the following:
 - Full system commissioning to ensure that all project measures are functioning as designed.
 - One to three year Measurement & Verification (M&V) plan options
 - PG&E's retro-commissioning option including rebates or on-going monitoring based commissioning to ensure projects savings persist.
 - PG&E's Energy Efficiency Program incentive/rebate process has built-in measures by the CPUC to ensure energy savings are realized. This bring in another level of assurance for the UESC projects.

Four elements of UESC Performance Assurance

1. Commissioning is performed at the end of each energy conservation measure. This ensures the installed equipment performs as intended by the IGA and design.
2. A simplified, and short (M&V) – intended to ensure measures are working correctly after project acceptance. Generally the contractors prepare and present an annual M&V report to the customer.

Four elements of UESC Performance Assurance (continued)

3. If the customers believe the system is not functioning on an optimal level, they can participate in PG&E's retro-commissioning program to identify and correct deficiencies. The program provides incentives to the customer if the deficiencies are corrected.
4. PG&E, in its Energy Efficiency Program is required to provide 5 years of energy savings for projects that receive incentives. All projects are subject to audits by the California Regulatory Commission. If the energy savings are not realized PG&E, may be subject to penalties.

Conclusions

- ▶ PG&E has included Performance Assurance in its projects with the IRS and NASA Ames.
- ▶ Each program is different based on the varying customer needs.
- ▶ Each project includes commissioning, a simple M&V, as well as PG&E's own internal Energy Efficiency Program safeguards.
- ▶ PG&E's UESC Program realizes most of the performance assurance benefits at a fraction of the cost of a performance guarantee program.